

ARTICLE APPEARED
ON PAGE UA-19THE WASHINGTON POST
24 April 1980**JACK ANDERSON**

CIA: Boycott Could Bring Down Iran

The Central Intelligence Agency has determined that Iran can be brought to its knees "within a matter of weeks" if U.S. allies will agree to boycott the country. It is possible such a move would secure release of the hostages in Tehran.

Iran's supposed oil stranglehold on Western Europe and Japan is actually no more than a minor inconvenience, the CIA has reported. Japan's and Europe's need for Iranian oil is far less than Iran's need for foodstuffs bought on credit.

Ayatollah Khomeini and the Revolutionary Council insist that Iran is self-sufficient, but this is hogwash. Iran must still import vast quantities of food, and many of the countries that supply the food are not particularly friendly to the Iranian government. They are likely to cut off credit any day, according to intelligence sources.

What makes matters worse, from the Iranians' point of view, is that the country's food imports depend on its oil exports — and many big oil customers don't need Iranian oil just now.

Iran's biggest oil customer had been Japan, which imported 520,000 barrels a day. But what the ayatollah apparently didn't realize is that Japan has been buying oil from other producers to the point it could last more than 110 days if it didn't get another drop of petroleum from any source.

Another big Iranian customer, West Germany, has stockpiled enough oil to last three months, according to CIA sources. In fact, Germany, Japan, France and Italy are now getting a total of 1.4 million barrels of oil a day

above their normal consumption.

As a measure of Iran's sticky situation on oil prices, an apparently unconcerned Japan rejected Iran's recent price hike of \$2.50 a barrel — and was cut off.

The important point is that Iran's economy depends on oil exports. Iran must sell 1.6 million barrels a day just to stay alive — and most sales are to U.S. allies, according to intelligence analysts.

"There's no way they could buy adequate amounts of food if credit isn't extended," a CIA analyst told my associate Dale Van Atta. In fact, he said, a boycott of Iranian oil would "bring Iran to its knees in less than two months unless they get charity from Arab countries."

What puts Khomeini in such a vulnerable position — undeniable even by the Arab oil moguls — is that there is now a worldwide glut of oil. The surplus hasn't brought any price reductions, but it does give Iran far less clout in its dealings with the nations that buy Iranian oil. It's not a buyer's market as far as price is concerned, but the oil-consuming industrial nations don't have to fear ruin from a cutoff of Iranian oil supplies.

Even the oil producing countries' chief spokesman, Sheik Ahmed Zaki Yamani, the Saudi Arabian oil minister, recently admitted as much in a little-publicized speech in London.

"Many of the energy problems from which the world is suffering today did not result from a shortage of supplies," he said. "Energy supplies, particularly petroleum, have always been more than adequate. This was true

through 1979. An observer has only to look a little carefully at the oil stocks hoarded in extraordinarily large quantities in the consuming countries to see this for himself."

Yamani added: "The free world's oil supplies in 1979 increased 4 percent over 1978 despite the fact that one of the major Middle Eastern oil-producing countries [Iran] reduced its production that year."

In other words, as expert sources have concluded, the circumstances couldn't be better for a squeeze on Iran.